SEBI, Department of Company Affairs (DCA) and the Reserve Bank of India (RBI).

(e) Does not arise.

(f) SEBI has issued orders to 51 companies and 142 promoters / directors of these companies, prohibiting them from associating with any capital market activity for a period of 5 years. In the primary market, for initial public offer, SEBI has introduced requirements of a track record of distributable profits for at least three years out of the immediately proceeding five years and a pre-issue net worth of Rs. one crore in three out of the preceeding five years. SEBI's regulations for collective investment schemes have been recently notified. In the secondary market, SEBI has advised all stock exchanges to set up Trade Guarantee / Settlement Guarantee Funds. Other measures by SEBI include a margining system, implementation of circuit filters, gross exposure limits for stock brokers linked with capital adequacy and dernaterialisation of securities.

DCA has launched prosecution against 63 companies under the Companies Act, 1956. A Bill has been introduced proposing an amendment in the Companies Act, providing *inter alia,* that every company which accepts deposits from small investors shall intimate to the Company Law Board any default made by it in repayment of such deposits; to hold directors of the company responsible for any contraventions of the provisions of the Act, and to provide that the small shareholders will have a right to elect at least one director in public companies. This Bill is currently before Parliament.

RBI which regulates Non-Banking Finance Companies (NBFCs) has launched prosecution proceedings against 24 NBFCs and has filed police complaints against another 10 companies. The Reserve Bank of India Act has been amended providing for compulsory registration and prudential financial norms for NBFCs.

Objectives of BIFR

2035. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) the objectives of creation of BIFR;

(b) how far these objectives have been fulfilled so far; and

(c) if not, the steps taken by Government to make BIFR more effective?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Board for industrial and Financial Reconslruction (BIFR) was set up under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with a view to tackle the issue of industrial sickness in an effective manner, to secure timely detection of sick and potentially sick companies owning industrial undertakings, speedy determination by BIFR of the preventive, ameliorative, remedial and other measures which were required to be taken with respect to such companies and the expeditious enforcement of the measures so determined.

(b) and (c) BIFR mechanism has not been completely successful in effectively tackling the problem of industrial sickness. Major reasons for this *inter-alia* include restrictive definition of sickness, excessive protection to sick industrial companies under section 22 of SICA for automatic stay on all proceedings, slow and dilatory BIFR procedures and excessively long time taken for disposal of cases etc. The review of SICA is contemplated in order to address the problem of Industrial sickness in an effective manner.

Liberalisation of foreign exchange transactions

2036. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has further liberalised foreign exchange transactions; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b)Yes, Sir. The details of the liberalised foreign exchange transactions are given in the Annexure. *[See* Appendix 189, Annexure no. 59]

RBI's Confidential List of Defalulters

2037. SHRI KHAN GHUFRAN ZAHIDI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem which appeared in the "Indian Express" of 3rd January, 2000 publishing the RBI's confidential list of loan defaulters; and

(b).if so, what steps are being taken by Government to recover the loan from the defaulters alongwith names defaulters?